

## Message Text

UNCLASSIFIED

PAGE 01 SANTIA 05674 121726Z

ACTION ARA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07

L-03 NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15

USIA-15 AID-05 EB-07 EPG-02 TRSE-00 STR-04 OMB-01

CEA-01 COME-00 FRB-01 XMB-04 OPIC-06 LAB-04

SIL-01 FEA-01 INT-05 OES-07 EPA-04 /124 W

-----023374 122221Z /63

R 121457Z JUL 77

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 5600

INFO AMEMBASSY LA PAZ

UNCLAS SANTIAGO 05674

E.O.11652:N/A

TAGS: EMIN, EINV, CI

SUBJ: LARGE SCALE MINING INVESTMENT IN CHILE-. SUPERIOR OIL/FALCONBRI  
DGE

REF: SANTIAGO 2904, SANTIAGO 4151

1. ON JULY 7 THE GOC SIGNED AN AGREEMENT WITH SUPERIOR OIL/  
FALCONBRIDGE FOR A FEASIBILITY STUDY AND POSSIBLE DEVELOPMENT OF  
THE QUEBRADA BLANCA OREBODY IN NORTHERN CHILE.

2. COSTS WILL BE SHARED ACCORDING TO EQUITY PARTICIPATION.  
FOR THE EXPLORATION PHASE, WHICH WILL LAST A MINIMUM OF TWO YEARS,  
FALCONBRIDGE CONTRIBUTES \$5 MILLION WHILE GOC CONTRIBUTES LAND.  
EVENTUAL INVESTMENT IS ESTIMATED AT \$500 MILLION.

3. IN THE NEGOTIATIONS, SUPERIOR OIL/FALCONBRIDGE DID NOT RECEIVE  
DUTY FREE IMPORTATION OF PETROLEUM DURING THE LIFE OF THE INVEST-  
MENT AS IT SOUGHT. HOWEVER, THE FIRM DID GET A 49.5 PERCENT TAX RATE  
FOR A 30-YEAR PERIOD INSTEAD OF 10 YEARS AS SPECIFIED IN THE NEW  
FOREIGN INVESTMENT LAW.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 SANTIA 05674 121726Z

4. AT A WELL-ATTENDED JULY 8 RECEPTION CELEBRATING THE FINAL  
SIGNING OF THE AGREEMENT, ENRIQUE VALENZUELA, MINISTER OF MINES,  
SAID OTHER MAJOR AGREEMENTS WOULD BE SIGNED SHORTLY.  
BOYATT

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FOREIGN INVESTMENT, COPPER, AGREEMENTS, NEGOTIATIONS, EXPLOITATION (NATURAL RESOURCES)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 12-Jul-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01-Jan-1960 12:00:00 am  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977SANTIA05674  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770248-0125  
**Format:** TEL  
**From:** SANTIAGO  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770766/aaaacfqn.tel  
**Line Count:** 59  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 9302e76c-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION ARA  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 SANTIAGO 2904, 77 SANTIAGO 4151  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 20-Dec-2004 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1888242  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** LARGE SCALE MINING INVESTMENT IN CHILE-. SUPERIOR OIL/FALCONBRI DGE  
**TAGS:** EMIN, EINV, CI, FALCONBRIDGE SUPERIOR OIL, QUEBRADA BLANCA OREBODY  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/9302e76c-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009